

**MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
December 6, 2001
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on December 6, 2001, in the Auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: Chairman Gregory Jones and Members Ira Rogal, Elzie Higginbottom, Robert Mariano and Tobias Barry.

Also in attendance were: Administrator Philip Parenti, Deputy Administrators Thomas Swoik, Joseph Haughey, Allan McDonald, James Wagner, Chief Legal Counsel Mark Ostrowski, and Deputy Chief Legal Counsel Jeannette Tamayo, as well as other members of the staff.

Chairman Jones convened the December 6, 2001 Regular Meeting at 9:42 A.M. in the 3rd floor Board Conference Room. Member Rogal moved **that the Board retire to Closed Session pursuant to Section 2(c), paragraphs (1), (11), (14), and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act to discuss the following subject matters:**

- 1. Pending litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters; and**
- 4. Closed session minutes.**

Member Higginbottom seconded the motion. The Board adopted the motion by unanimous consent and retired to closed session.

The Board convened its Open Session at 1:15 P.M.

Chairman's Report

Chairman Jones introduced and welcomed Judge Tobias G. Barry as the new Board member. Chairman Jones stated that Member Barry served as an Appellate Judge for 20 years, was a member of the Illinois legislature for 7 terms, and is now in private practice in mediation and arbitration. Chairman Jones stated that Mr. Barry brings a wealth of experience to the Board.

Chairman Jones introduced and welcomed Philip C. Parenti as the new Administrator for the Gaming Board. Chairman Jones stated that Mr. Parenti was selected by the Board at the November 8th meeting and started serving as the Administrator on November 16th. Chairman Jones stated that Mr. Parenti is well qualified and that he will be an outstanding Administrator for the Board.

Chairman Jones introduced and welcomed Mark Ostrowski as the new Chief Legal Counsel. Chairman Jones stated that Mr. Ostrowski has a great deal of trial experience, having come from the Cook County States Attorneys Office, and that he will bring that valuable knowledge, as well as his experience in private practice, to the Board.

Chairman Jones thanked Jeannette Tamayo for serving the last 18 months as the acting Chief Legal Counsel. Chairman Jones stated that Ms. Tamayo has done an outstanding job and that the Board appreciates all of her efforts over the past 18 months.

Chairman Jones thanked Tom Swoik for his outstanding service as the Interim Administrator.

Approval of Minutes

Member Mariano moved that **the Board approve the following closed session minutes of the Illinois Gaming Board:**

- **Closed Session Minutes:**
 - **Regular Meeting of June 19, 2001**
 - **Regular Meeting of July 23, 2001**
 - **Regular Meeting of July 24, 2001**
 - **Special Meeting of October 2, 2001**
 - **Regular Meeting of October 16, 2001**
 - **Special Meeting of October 30, 2001**
 - **Special Meeting of November 8, 2001**

Member Higginbottom seconded the motion. The Board approved the motion unanimously by voice vote.

Member Rogal moved that the Board approve the following open session minutes of the Illinois Gaming Board:

• **Open Session Minutes:**

- **Regular Meeting of June 19, 2001**
- **Regular Meeting of July 23, 2001**
- **Regular Meeting of July 24, 2001**
- **Regular Meeting of September 14, 2001**
- **Special Meeting of October 2, 2001**
- **Regular Meeting of October 16, 2001**
- **Special Meeting of October 30, 2001**
- **Special Meeting of November 8, 2001**

Member Mariano seconded the motion. The Board approved the motion unanimously by voice vote.

Administrator's Report

Administrator Parenti briefed the public about himself, his goals for the Gaming Board, and his goals for the Gaming Board staff. Administrator Parenti stated that he is a former Assistant United States Attorney, a former Division Chief of the Illinois Attorney General's Office, and that he has been a defense and trial attorney for the past 18 years. Administrator Parenti stated that his experience permits him to evaluate the terrain on a host of issues from a law enforcement and regulatory perspective - taking into account business concerns – and, most importantly, allowing him to fulfill his fiduciary duties on behalf of the people of the State of Illinois. Administrator Parenti stated that he is trying to absorb a mountain of information and that he has been ably assisted by staff and the Deputy Administrators. Administrator Parenti briefed the public on the duties of each of the Gaming Board deputies.

Administrator Parenti announced that Mark Ostrowski has filled the 2-year vacancy for Chief Legal Counsel. Administrator Parenti stated that Mr. Ostrowski would be in charge of the Gaming Board's legal staff. Administrator Parenti announced that Dennis Brown, who started with the Gaming Board as an intern, has passed the Bar exam and is now a staff attorney. Administrator Parenti stated that he is working on two more administrative positions, which he anticipates will be approved. Administrator Parenti stated that the Gaming Board needs more gaming agents and has posted 20 positions - 15 for trainee agents and 5 positions to be filled by promoting from within. Administrator Parenti stated that staff is trying to add to the investigative and audit staff. Administrator Parenti stated that staff is now putting stricter controls on vendor contracts that are over \$100,000 dollars.

Administrator Parenti stated that staff is trying to be pro-active in detecting problems with contracts before they result in a disciplinary complaint. Administrator Parenti stated that staff is trying to get an on-staff technical advisor to advise on matters such as EGDs.

Administrator Parenti stated that staff intends to promote the Self-Exclusion policy to the fullest. Administrator Parenti stated that the Gaming Board would eventually have an on-staff person to assume a self-exclusion position and identify problem gamblers.

Administrator Parenti stated that there are other consumer issues that the Gaming Board would like to pursue, such as credit limits and verification procedures. Administrator Parenti

stated that staff is in the process of gathering data from the casino industry to find a solution to protect problem gamblers from themselves and to ensure that the “high roller’s” who get credit very easily, are forced to adhere to the same credit requirements and to report their assets in a manner similar to people with low income means. Administrator Parenti stated that staff is in the process of analyzing economic opportunities and employment for all Illinois residence. Administrator Parenti stated that staff is also gathering data on the number of minority vendors doing business with the casinos in order to ensure fair representation in the industry. Administrator Parenti stated that he believes that the Gaming Board consists of a hard-working, energized staff that understand the significance of their jobs. Administrator Parenti stated that he hopes to lead the staff in a professional manner, vigilant of our regulatory responsibilities and cognizant of the extraordinary revenue generation for the people of Illinois.

Board Policy Items

2002 Board Meeting Dates – Member Higginbottom moved that **the Board adopt the following dates for its regulatory meeting agenda for the calendar year 2002.**

January 22, 2002
February 26, 2002
March 19, 2002
April 16, 2002
May 14, 2002
June 18, 2002
July 16, 2002
August 13, 2002
September 10, 2002
October 8, 2002
November 19, 2002
December 3, 2002

Member Mariano seconded the motion. The Board approved the motion unanimously by voice vote.

Chairman Jones noted that the Board previously meet 10 months out of 12. Now the Board will meet every month and, in some cases, twice a month. Chairman Jones stated that it has been a very busy Board and that he appreciates the activities of the past Board members and the current Board members, who recognize the burden that this place on their time.

Self-Exclusion Policy – Deputy Chief Legal Counsel Jeannette Tamayo stated that the policy was initially filed with the Joint Committee and Administrative Rules on June 15, 2001. Ms. Tamayo stated that staff has received comments subsequent to the filing and that there were many good issues raised by members of the public on every side of the spectrum. Ms. Tamayo stated that staff has attempted to incorporate all changes, and, in doing so, staff has tried to maintain flexibility for the Board, so that as the Board develops its program, it is able to implement the program in a way that is beneficial to the individuals the program is intended to assist. Ms. Tamayo stated that staff is asking the Board’s permission to file Second Notice, and once second notice has been filed, staff will come back to the Board for approval - prior to the policy being adopted and becoming an official part of the Board’s rules. Ms. Tamayo stated that staff anticipates having the program “up and running” within the next couple of months. Ms. Tamayo briefed the Board with a prepared memorandum, pointing out the outstanding issues with the policy. The issues are (1) ICGA’s request to have individuals release casinos from liability; (2) whether Board agents or casino agents are responsible for patron removal; (3) staff’s request to remove language from the policy requiring casinos to request identification from each person entering the casino; and (4) staff’s requests to remove references to “related persons” from the policy.

Member Mariano moved that **the Board authorize staff to submit proposed Rules 3000.705, 3000.750, 3000.751, 3000.755, 3000.756, 3000.760, 3000.770, 3000.780, 3000.785, and 3000.790, as revised, for Second Notice Filing with the Joint Committee on Administrative Rules.** Member Rogal seconded the motion. The Board approved the motion unanimously by voice vote.

Rule 3000.180 - Weapons on Riverboat – Ms. Tamayo noted that staff raised the weapons-on-riverboat issue to the Board during the October meeting and that staff simply sought to delete the words “security personnel licensed by the Board” from the existing rule so that it is clear that the only personnel authorized to carry weapons on the riverboat are state police officers and law enforcement agents. Ms. Tamayo stated that all of the public commentary received has been in support of this rule. Ms. Tamayo asked the Board’s permission to proceed to First Notice Filing.

Member Higginbottom moved that **the Board authorize staff to submit proposed amended Rule 3000.180 for First Notice Filing with the Secretary of State upon final review and approval by the Administrator.** Member Mariano seconded the motion. The Board approved the motion unanimously by voice vote.

Public Commentary

Patrick J. O'Malley, State Senator, was present to discuss the fact that he does not support the expansion of gambling, nor is he a friend to the legalization of gambling. Senator O'Malley stated that he does not accept political contributions from gambling interest. Senator O'Malley stated that the best interest of public policy requires the Gaming Board to be a strong, independent governing body, not a voice for the gaming industry. Senator O'Malley stated that during the January 30, 2001 Board meeting, Wayne Johnson, Chicago Crime Commission, presented concerns regarding the proposed location of the 10th license, as well as the control of the proposed project from the construction of the project to its completion. Senator O'Malley stated that Mr. Johnson highlighted some unfavorable relationships that local officials may have with convicted felons and persons that have been identified as members of the Chicago outfit. Senator O'Malley stated that during the January 30th meeting, the Chicago Crime Commission urged the Board to reject the proposed location of the 10th license to Rosemont, and the Board did so. Senator O'Malley urged the Board to continue to reject the proposed location of the 10th license to Rosemont and to any community that is not consistent with the communities described in the original law and the legislative intent associated with the law. Senator O'Malley stated that based on what he is able to learn about the gaming industry, the average industry profit is in the neighborhood of 11%, with a price earnings ratio of about 25%. Senator O'Malley stated that if we are going to have legalized gambling in the State of Illinois with that type of profit, and if the people are going to receive \$85,000 per licensee every three years, or whatever the renewal fee may be at that time, his suggestion is that it would be better to recognize that this is really property that belongs to the people of Illinois. Senator O'Malley urged the Board to join with him in proposing a change in the way gaming licenses are issued to ensure that the State and the people it represents get a fair market value for the licenses that are given to a small group of people. Senator O'Malley stated that changing the way licenses are issued – to increase revenue for the State - is especially appropriate at a time when the state is in great need of fiscal assistance due to the current budget crisis.

Gerald E. Forshey, Ph.D., was present to discuss the Board's accomplishments in turning down the Emerald application, issuing a \$7.2 million dollar fine to Grand Victoria for its criminal connections, and affirmatively exploring the issues of problem gamblers and their vulnerability. Mr. Forshey stated that the Board has a history of which it can be proud. However, the Board's task has been made more difficult by the September 11th crisis and its contribution to a rising recession, which caused all types of programs in the state to be downsized due to loss of revenue. Mr. Forshey stated that many people are now more cautious about spending, which diminishes the sales tax. Mr. Forshey stated that the gambling industry has been using the crisis to press for new access, including putting slot machines in racetracks and taverns, increasing space on the barges, and offer a variety of new ways to create jobs and taxes. Mr. Forshey asked the Board how many jobs are needed before someone going bankrupt and putting a dozen employees out of work becomes a benefit. Mr. Forshey asked how many tax dollars are needed in order to turn a suicide into a benefit. Mr. Forshey stated that right and wrong are defined by utilitarianism by numbers and assigning numbers to pleasure - like taxes - and pains - like suicide. When the bill to

allow riverboat gambling was originally passed, its original purpose was to save the river towns and support economic development. Mr. Forshey stated that in time, the tax revenues became addictive, and when Governor Ryan announced his support for the current bill, he announced that it was for taxes, changing the original intent of the law. Mr. Forshey stated that he recognized that this is not the business of the Board, but it is the atmosphere in which the board exists. Mr. Forshey stated that the state legislature used its power recklessly by passing a law that benefited one corporation and disregarded the public interest. Mr. Forshey stated that the state legislature stripped the Board of its powers to regulate, but the Board stood tall, taking responsibility where the political system does not want to. Mr. Forshey stated that he believes that the Board's responsibilities are three-fold: (1) to regulate the industry by allocating licenses; (2) to keep out people that give the appearance of impropriety in order to protect the general public from losing their confidence; and (3) to protect the afflicted from themselves and the industry. Mr. Forshey stated that he was concerned about Administrator Parent's comments, which he concluded meant that Administrator Parenti wanted to maximize tax revenues for the State in order to fulfill his "fiduciary obligation" to taxpayers. Mr. Forshey encouraged the Board to "take back" its license and open the license up to competitive bidding.

Wayne T. Burdick, President, Outreach Foundation for Problem and Compulsive Gamblers, was present to give the new Board members and the Administrator a brief overview of the Outreach Foundation. Mr. Burdick stated that the foundation is about education and awareness. Mr. Burdick stated that the foundation visits schools, universities, public groups, and anywhere they can be of help by sharing their stories. Mr. Burdick stated that the uniqueness of the foundation is that they are gamblers themselves that have been through compulsive gambling and now in recovery. Mr. Burdick stated that the foundation is partially funded by the Illinois Department of Human Services, due to the Governor's initiative about a year ago. Mr. Burdick stated that the foundation is very grateful for the funds received by the State. Mr. Burdick stated that he would appreciate it if the Board could do whatever it could to encourage the funds to continue during this time of fiscal trouble. Mr. Burdick stated that he feels that public awareness is the best way to inform people of the experiences that gamblers go through. Mr. Burdick stated that a task force has been formed which allows communication between agencies such as the Illinois Counsel, the Department of Human Services, OASA, and the Illinois Casino Gaming Association to discuss compulsive gambling. Mr. Burdick stated that since 1991, the foundation has had a 600% increase in gamblers anonymous meetings. Mr. Burdick stated that the foundation does not stand for or against gambling. Mr. Burdick stated that the foundation would love to be a venue for the Self-Exclusion policy.

Kathy Gilroy, volunteer with the Northern Illinois Anti-Gambling Task Force, was present to propose various ways that self-exclusion from the riverboats could be accomplished. Ms. Gilroy suggested that patrons should be required to show electronic ID cards in order to enter the casino, and that card readers should be placed at the entrance of the casinos, which would prevent patrons listed on the self-exclusion list from entering the casino. Ms. Gilroy stated that according to the February 2000 St. Louis Post Dispatch, patrons at most Missouri casinos must have electronic ID cards to go through the turnstile and that casinos take pride

in greeting customers by name at the turnstiles. Ms. Gilroy stated that casinos have already developed the means for an effective self-exclusion system with the development of their loyalty of programs. They simply have not implemented it. Ms. Gilroy stated that the only reason that she can think of as to why the system has not been implemented is because the casinos simply don't want to. Ms. Gilroy questioned if excluding compulsive gamblers would mean a significant decline in revenue. Ms. Gilroy stated that allowing in crooks and cheats could mean a significant decline in revenue. Ms. Gilroy suggested that casinos could use facial recognition systems, which the casinos develop and use to keep self-excluded people out of casinos. Ms. Gilroy stated that she refers to the policy as "exclusion," as opposed to "self-exclusion," because the same system could be used for crooks, cheats, and underage patrons who don't necessarily want to be excluded. Ms. Gilroy suggested that Illinois casinos create a national exclusion database. Ms. Gilroy urged the Board to show the people of Illinois that the Board wants to exclude compulsive gamblers.

Rev. Philip L. Blackwell, First United Methodist Church, was present to discuss an article that appeared in the October 31st Chicago Tribune regarding Administrator Parenti's comments on the Rosemont casino. Rev. Blackwell stated that during his initial interview upon being assigned his administrative role, Administrator Parenti said a few things that were alarming. Rev. Blackwell read a section from the October 31st newspaper article quoting Administrator Parenti saying, "the people of the state of Illinois are losing hundreds of millions of dollars when this gaming license is not in play. That money could go to the education of our children, for shoring up the law enforcement against terrorism, and all kinds of things. Everybody knows that that's a factor" Rev. Blackwell stated that what everybody knows is that the money raised from gambling is not going into the state budget to increase spending on education for students in public schools, it goes into the budget to free other funds to be used elsewhere. Rev. Blackwell stated that to say that the children are losing out because there isn't a casino in Rosemont is false. Rev. Blackwell stated that hiding behind children is unbecoming. Rev. Blackwell stated that he was concerned that Administrator Parenti was unfamiliar with a portion of the law that "bailed out" Arlington racetrack. Rev. Blackwell stated that the most alarming comment made in the October 31st article was, "my fiduciary obligations to the people are my primary concern, we're going to make sure that gambling thrives, but in a well regulated way." Rev. Blackwell stated that his first thought was uncharitable as to Administrative Parenti's goals. Rev. Blackwell stated that to be fair to the quotation, earlier in the article Administrator Parenti said that nobody wants organized crime or the mob to have any influence whatsoever in the gambling industry in Illinois. Rev. Blackwell stated that everybody knows that organized crime already has an influence. Rev. Blackwell stated that to pretend that the mob does not have influence after the Gaming Board's rejection of the Emerald Casino license is either to be disingenuous or to repudiate the integrity of the very Board for which Administrator Parenti has assumed responsibility. Rev. Blackwell asked who would protect the people of the State of Illinois if the Board doesn't. Rev. Blackwell stated that regulation requires dispassionate, disinterested, objectivity.

Terrance A. Norton, Executive Director, Better Government Association, stated that the association does not oppose nor does it support gambling. However, it has in the past challenged some of the underlying assumptions of legalized gambling, including the assumption that riverboats bring economic growth to other business in the cities where they are located, and that riverboats draw tourists from other states to spend money in the cities. Mr. Norton stated that the association understands that those matters are not within the Board's direct purview. Mr. Norton stated that he was present to discuss the role that the state legislature has given the Board to maintain public confidence and trust in the creditability and integrity of gambling operations in Illinois. Mr. Norton stated that the association applauds the Board for its professionalism and courage it has demonstrated. Mr. Norton stated that the Board has acted in accordance with the fact that it sits as regulators of the gaming industry and not as advocates for the gaming industry. Mr. Norton stated that the Board sits as representatives of the public and that the Board has done a good job of acquitting itself of acting as advocates for the industry, despite some major challenges. Mr. Norton stated that the state legislature has assigned the Board the role of maintaining the public's confidence and trust in the creditability and integrity of legalized gambling in Illinois. However, that body has also presented an obstacle to the Board in fulfilling that role. Mr. Norton questioned how the Board would maintain the public's confidence when major deals were being cut in the state legislature that sought to tie the Board's hands and force them to accept the will of the legislature. Mr. Norton stated that the Riverboat Gambling Act gives to the Board the responsibility for ruling on the application of those who seek to operate riverboat gambling operations, yet that same legislature added section 11.2 of the Act, which seems to remove the Board's discretion and authority. Mr. Norton stated that in regards to the Emerald Casino, based upon the staff's investigation, the Board rejected Emerald's bid to have its license renewed and in doing so, the Board acted in the finest tradition of public servants who make good decisions despite enormous pressures to do otherwise. Mr. Norton questioned the Board's ability to maintain the public's confidence in light of 11.2. Mr. Norton requested the Board to ask a court to determine 11.2's constitutionality. Mr. Norton suggested that the Board should pay close attention to the testimony given by the "well-respected" Chicago Crime Commission, which strongly urged the Board to reject the Rosemont proposal based on the information contained in the commission's files. Mr. Norton urged the Board to revisit that testimony and use its resources to determine if that testimony was accurate. Mr. Norton brought the intended purpose of the Riverboat Gambling Act to Administrator Parenti's attention, noting the law's primary purpose was not generating tax revenue. Mr. Norton asked the Board to continue the good work that it has done so far.

Professor Earl Grinols, University of Illinois, Champaign-Urbana, was present to provide the Board with a brief presentation from his independent research on the casino tax issue. Professor Grinols stated that he is concerned that the Board may be given the impression that taxes are a good argument for evaluating casinos. Professor Grinols concluded that taxes are too costly, and that whatever basis the Board does its evaluations on, it should not be on the basis of taxes. Professor Grinols presented the Board with a slide presentation to explain how he came to his conclusion. Professor Grinols also provided the Board with a detailed packet. Professor Grinols discussed costs associated from a casino's presence from an

increase in crime. Professor Grinols stated that the point that he is trying to make is that taxes raised through casinos are much more costly – in terms of costs to the public - than taxes raised conventionally. Professor Grinols stated that he knows that the State of Illinois needs tax revenues, but that casinos are just not the best way to accomplish tax revenue.

Michael Crider, President, Illinois Casino Gaming Association was present to speak in honor of the 10th anniversary of casino gaming in Illinois. Ms. Gouinlock, who was scheduled to speak was not present due to personal reasons. Mr. Crider stated that since Alton Belle commenced operation in September 1991, Illinois has enjoyed 10 years of significant, substantial capital improvement, dependable tax revenues, the creation of tens of thousands of new jobs, as well as the revitalization of the host communities. Mr. Crider provided the Board with a video presentation that he claimed describes many of the contributions the industry has made in Illinois. Mr. Crider stated that in many ways, the Board would determine the levels of continued success attainable by Illinois and by the host communities from the gaming industry. Mr. Crider stated that the General Assembly has spoken on the propriety of casino gaming in Illinois. Mr. Crider stated that the ICGA would continue to look to the Board and its staff to make policy decisions based on facts. Mr. Crider welcomed the new Board members and staff and expressed his appreciation for the opportunity to share a decade of development with the Board.

Hubert Dodge was present to discuss a statement regarding the “hundreds of millions of dollars” that the State of Illinois is losing while the 10th license is on hold, which Mr. Dodge feels that is a promotion statement. Mr. Dodge stated that he felt it was a promotion statement because it was similar to statements made by Mayor Stephens of Rosemont. Mr. Dodge asked that the Board regulate, not promote. Mr. Dodge stated that the National Gambling Impact Study Commission voted unanimously to ask for a moratorium on the expansion of gambling throughout the country. Mr. Dodge asked the Board to follow the commission’s recommendation.

Joe Wiegand, Executive Director, Family Taxpayers Network noted that the Administrator had mentioned that the Board regulates a burgeoning industry. However, Mr. Wiegand feels that the Board does not do so in a vacuum, that the Board does so in relation to the other conditions of the state, society, and the people. Mr. Wiegand stated that the FTN’s cynicism was rekindled by the Board’s “reconstituted” staff. Mr. Wiegand stated that there is a burgeoning budget crisis in the state of Illinois, a burgeoning budget short fall - which some would say fuels the necessity for moving forward with the Rosemont license and the revenues that might be generated thereby. Mr. Wiegand asked the Board to consider the fact that a casino in Rosemont would not generate revenue for the State of Illinois the way that it is projected because of a particular portion of the legislation adopted in 1999, which gives 15% of revenue generated by a Rosemont casino to the Horseracing Equity Fund.. Mr. Wiegand stated that there is an excessive amount of profits that are currently generated by the industry, that do not benefit the people of Illinois or its governmental institutions. Mr. Wiegand stated that he believes that not only the 15% transfer from the general revenue fund, but also the excessive casino profits - tremendously beyond the scope of the original intent of legislation to redevelop depressed communities - are conditions that would necessitate a new

Governor and a new legislature to revisit this issue. Mr. Wiegand strongly recommended that the state adopt a process of auctioning the licenses and concurred with Senator O'Malley that such an auction could earn up to 15 billion dollars for the State. Mr. Wiegand addressed the Board's staff's denial of FOIA request pursuant to proprietary reasons. Mr. Wiegand claimed the information asked for in the FOIA request would allow the FTN, as well as others, to analyze the veracity and economic impact of casinos' operating expenses.

Owner Licensee Items

HARRAH'S CASINO, JOLIET – REQUEST TO REMOVE RIVERBOAT FROM OPERATION – Michael St. Pierre, General Manager, was present to request initial consideration of the removal of the boats and the disposition of the assets.

Chairman Jones stated that staff would be communicating with Mr. St. Pierre on various issues raised by the Board to which he could respond at the next meeting.

CASINO ROCK ISLAND – PROPOSED INCREASE OF EXISTING CREDIT FACILITY – Donna More was present on behalf of Casino Rock Island to seek an increase in the line of credit from \$1.5 million to \$3 million. Ms. More stated that she has talked to staff about submitting information relating to the line of credit and to the note modification. Ms. More stated that an executed note modification was submitted to staff prior to the meeting. Ms. More stated that language was left out stating that the note would not become effective unless the Board approves the note. Ms. More stated that subsequent letters were submitted regarding the Board – approval clause and that Casino Rock Island certainly did not intend to go ahead with any borrowing on the note prior to the Board's approval. Ms. More stated that as of November 18, 2001, Rock Island had only drawn \$100,000 on the original \$1.5 line of credit. Ms. More apologized for the oversight and asked for final approval.

Chairman Jones stated that the oversight was brought to the Board's attention by the Administrator and the staff and that the Administrator would be communicating to Ms. More on the subject. Chairman Jones stated that he appreciate Ms. More's comments on the matter.

Administrator Parenti stated that staff appreciates Ms. More's explanation.

Member Rogal asked what has been drawn from the line of credit as of today. Mr. Ron Wicks, President of Casino Rock Island, stated that the amount is still at \$100,000.

Based on a review of the staff's review and recommendation, Member Higginbottom moved that **the Board approve Rock Island Boatworks, Inc.'s request to increase their existing credit facility from \$1.5 million to \$3 million and delegate to the Administrator under Board Rule 3000.230(d)(2) final approval of the transaction upon execution of the appropriate documents.** Member Mariano seconded the motion. The Board approved the motion unanimously by voice vote.

HARRAH'S CASINO, METROPOLIS – REMOVAL OF PLAYERS II RIVERBOAT FROM OPERATION AND POTENTIAL SITE – Mike Crider, General Manager, was present to request approval for the removal of the Players II riverboat from its operation and potential sale.

Based on the staff's review and recommendation, Member Mariano moved that **the Board approve the request of Southern Illinois Riverboat Casino Cruises, Inc. to remove the Players II riverboat from its operation and pursue the potential sale of this vessel.**

Member Mariano further moved that **the Board delegate to the Administrator, under Board Rule 3000.230(d)(2), final approval of the transaction upon execution of the appropriate documents.** Member Higginbottom seconded the motion. The Board approved the motion unanimously by voice vote.

HARRAH'S CASINO, METROPOLIS – WENDY A. HAMILTON, DIRECTOR OF SLOT OPERATIONS – LEVEL ONE – Mike Crider, General Manager, was present on behalf of Wendy A. Hamilton to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Higginbottom moved that **the Board approve Wendy A. Hamilton as an Occupational Licensee, Level 1 of Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah's Metropolis Casino.** Member Mariano seconded the motion. The Board approved the motion unanimously by voice vote.

PAR-A-DICE CASINO – KEVIN T. WALSH, TABLE GAMES MANAGER – LEVEL ONE – Donna More was present on behalf of Kevin T. Walsh to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Rogal moved that **the Board approve Kevin T. Walsh as an Occupational Licensee, Level 1 of Par-A-Dice Gaming Corporation.** Member Mariano seconded the motion. The Board approved the motion unanimously by voice vote.

Suppliers Licensees

PDS GAMING – LICENSE RENEWAL - PDS GAMING CORPORATION – RENEWAL FOR 1 YEAR – Donna More was present on behalf of PDS Gaming to request approval for its license renewal.

Ms. Tamayo stated that staff recommended a restricted license renewal for reasons addressed in the staff's report.

Based on the staff's investigation and recommendation, Member Mariano moved that **the Board approve a restricted Supplier's license of PDS Gaming Corporation for a term of 1 year, expiring in December 2002, and impose the following conditions:**

1. **PDS is to have each and every electronic gaming device offered to Illinois casinos individually tested by an independent gaming laboratory; and**
2. **PDS shall file in a timely manner all appropriate tax returns including, but not limited to, Illinois Business Income Tax Returns (IL 1120).**

Member Mariano further moved that **based on the staff's investigation and recommendation, the Board certify and approve the following positions and persons as Key Persons of the licensee:**

1. **Chief Executive Officer;**
2. **Chief Operating Officer/ President;**
3. **John Paul Finley; and**
4. **Peter Douglas Cleary.**

In the event that PDS fails to make an appropriate and timely request as specified in Board Rule 3000.405 for a hearing within 5 days of delivery of the written restriction of licensure, this action of the Board shall become the final action of the Board restricting the Suppliers license application for one year. Member Rogal seconded the motion. The Board approved the motion unanimously by voice vote.

Occupational Licensees

Based on the staff's investigation and recommendation, Member Higginbottom moved that **the Board approve 110 applications for an Occupational License Level 2 and 299 applications for an Occupational License Level 3.** Member Mariano seconded the motion. The Board approved the motion unanimously by voice vote.

Board Member Comments

Member Higginbottom thanked all of the public commentaries for their professional and informative presentations. Member Higginbottom stated that he is happy that there is so much public interest in this industry and he is looking forward to working with all the individuals.

At 3:15 P.M. Member Mariano moved to adjourn. Member Higginbottom seconded the motion. The Board approved the motion unanimously by voice vote.

Respectfully submitted,

Monica Thomas
Secretary to the Board